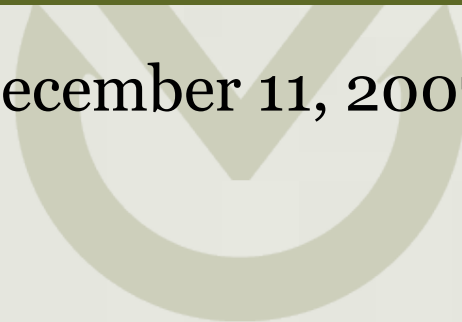




A Special Briefing:
The Council on Virginia's Future

December 11, 2007



Presentation Outline

- A Vision for Virginia

Mr. John “Dubby” Wynne, *Vice-chair*
Council on Virginia’s Future

- Virginia Performs: Transparency and Assessment

Ms. Jane Kusiak, *Executive Director*
Council on Virginia’s Future

- Gubernatorial Commitment to Outcomes and Transparency

The Honorable Wayne Turnage, *Chief of Staff*
Office of Governor Tim Kaine

- Opportunities for Improvement and Innovation

The Honorable Aneesh Chopra, *Secretary of Technology*

A Vision for Virginia

John “Dubby” Wynne
Council Vice-chair

The Council on Virginia's Future

➤ Origin

- Creation proposed by Virginia's business community and Governor Warner's Commission on Efficiency and Effectiveness.
- An advisory board to the Governor and the General Assembly, officially codified into Virginia statute.
- A forum where legislative, executive branch and community leaders come together for work that transcends election cycles, partisanship, limited organizational boundaries and short-term thinking.

➤ Purpose

- Provide long-term focus on high priority issues.
- Create an environment for improved policy and budget decision-making.
- Increase government accountability, operations and performance.
- Inform citizens about performance and engage them in dialogue about Virginia's future.

Council Membership, 2007

The Honorable Timothy M. Kaine, Chairman

Governor, Commonwealth of Virginia

Mr. John O. (Dubby) Wynne, Vice Chairman

President & CEO (retired), Landmark Communications

General Assembly Members

The Honorable Ward L. Armstrong

Minority Leader, Virginia House of Delegates

The Honorable Vincent F. Callahan, Jr.

Chairman, Appropriations Committee

Virginia House of Delegates

The Honorable John H. Chichester

President Pro Tempore & Chairman, Finance Committee

Senate of Virginia

The Honorable H. Morgan Griffith

Majority Leader, Virginia House of Delegates

The Honorable William J. Howell

Speaker of the House, Virginia House of Delegates

The Honorable Richard L. Saslaw

Minority Leader, Senate of Virginia

The Honorable Walter A. Stosch

Majority Leader, Senate of Virginia

The Honorable William C. Wampler, Jr.

Member, Finance Committee, Senate of Virginia

Citizen & Business Community Members

Ms. Marjorie M. Connelly

COO & President, Business Services Group

Wachovia Securities

The Honorable William D. Euille

Mayor, City of Alexandria

Mr. W. Heywood Fralin

CEO & President, Medical Facilities of America, Inc.

Mr. James F. McGuirk, II

President, AKLM Consulting, Inc.

Dr. Edward G. Murphy

President & CEO, Carilion Health System

The Honorable Michael J. Schewel

Partner, McGuireWoods LLP

Cabinet Members

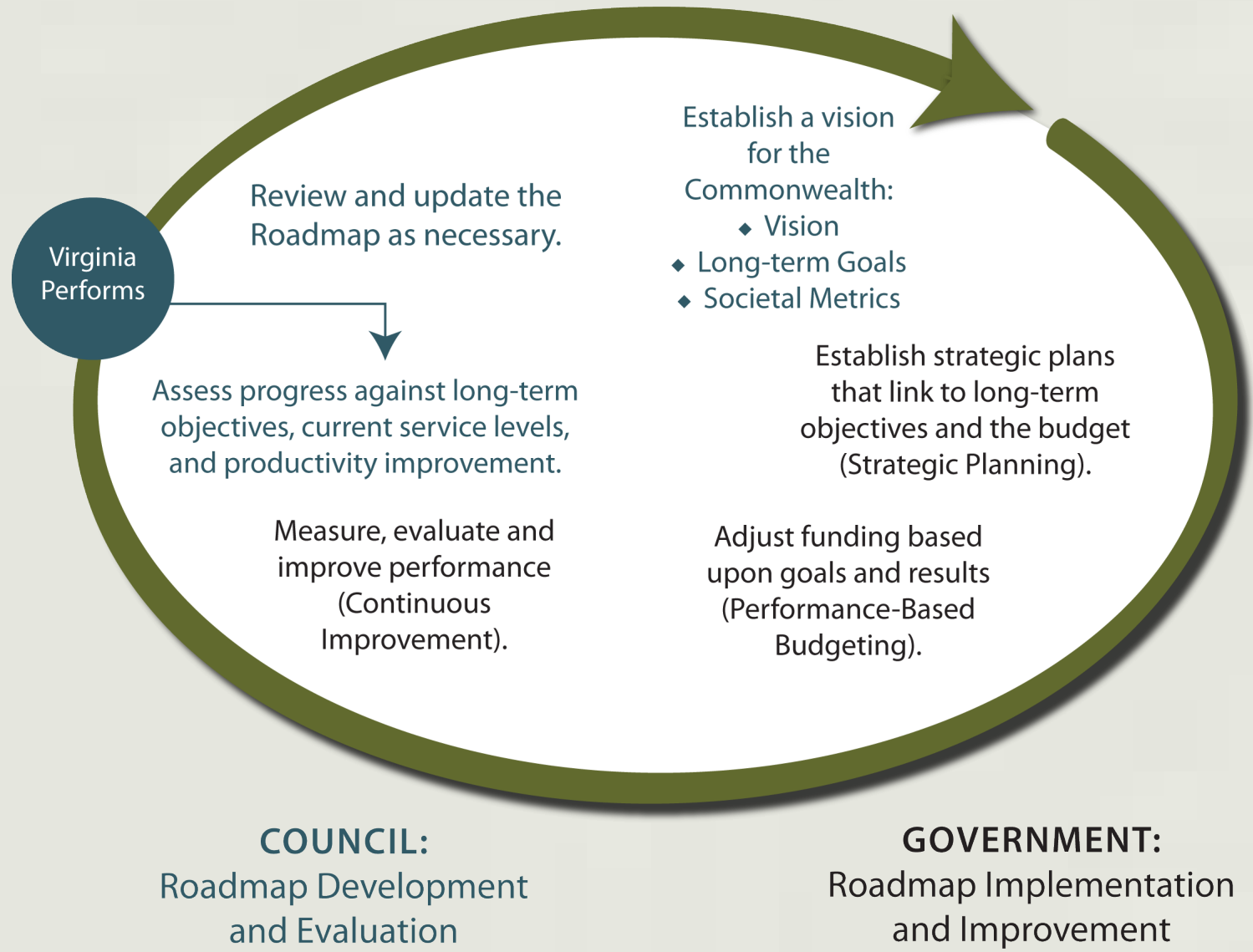
The Honorable Aneesh P. Chopra

Secretary of Technology

The Honorable Jody M. Wagner

Secretary of Finance

Roadmap for Virginia's Future



Key Milestones

2008

- Align agency key measures with societal indicators
- Sharpen focus on high-priority outcomes to facilitate policy decisions
- Refine and update societal indicators and agency measures
- Further develop productivity initiatives

2007

- Launched *Virginia Performs* with societal indicators and agency measures to provide transparency

2006

- Identified key agency objectives and measures
- Added a productivity initiative to provide focus and financial support for enhancing both programmatic & operational targets

2006

to

2003

- Implemented a new strategic planning and budgeting approach that included objectives, measures and targets
- Established a vision and long-term goals for the Commonwealth

Virginia Performs: Performance Leadership & Accountability

Jane Kusiak
Council Executive Director

Council Vision and Goals

Virginia Performs begins with a **vision** for Virginia's future that includes responsible economic growth, an enviable quality of life, good government and a well-educated citizenry prepared to lead successful lives and to be engaged in shaping the future of the Commonwealth.

Long-term goals further define the vision by describing specific outcomes we wish to achieve:

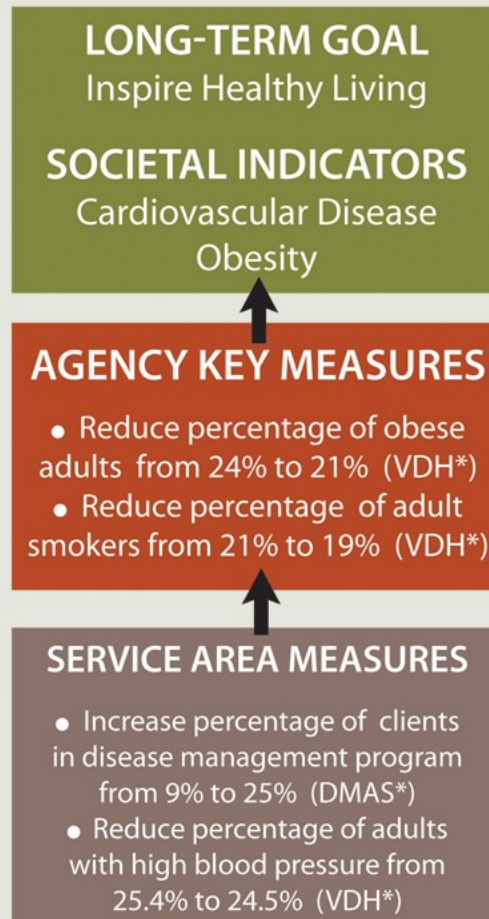
- Be recognized as the best-managed state in the nation.
- Be a national leader in the preservation and enhancement of our economy.
- Elevate the levels of educational preparedness and attainment of our citizens.
- Inspire and support Virginians toward healthy lives and strong and resilient families.
- Protect, conserve and wisely develop our natural, historical and cultural resources.
- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.
- Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Virginia Performs Architecture

Charting a Course for Excellence



Health & Family Examples



} How is Virginia doing?

} Are we getting results on our highest priorities?

} What are the expectations for our service areas?

* The acronym VDH stands for the Virginia Department of Health; DMAS stands for the Department of Medical Services.

www.VaPerforms.virginia.gov

The screenshot shows the Virginia Performs website interface. At the top, a navigation bar includes 'Virginia.gov', 'Online Services', 'Help', 'Governor', and 'General Assembly'. A search bar is located on the right. Below the navigation bar, the 'Virginia Performs' logo is displayed next to the text 'VISION FOCUS RESULTS'. A callout bubble points to the search bar with the text: 'Download a detailed demographic profile of the state.' Another callout bubble points to a map icon with the text: 'Create local & regional maps and reports showing data on dozens of measures.' Below the logo, there is a section titled 'Key Facts & Demographic Data' with links for 'Mapping: Intro', 'Map It', and 'Scorecard at a Glance'. A callout bubble points to the 'Map It' link. Below this, there is a message from Virginia Governor Tim Kaine, stating: 'The Commonwealth of Virginia is a spectacular place to live. We treasure the heritage and resources that contribute to our high quality of life, but it takes constant planning and fine tuning to maintain this quality and make needed improvements. This website, brought to you by the Council on Virginia's Future, shows you how we measure the state's current performance, plan for the future and monitor our progress. Click on the links below to see how we're working to make Virginia strong and healthy. Thanks for visiting. Governor Tim Kaine'. A callout bubble points to this message with the text: 'Instantly see how Virginia measures up in key areas.' Below the message, there is a section titled 'Measuring Virginia' with a sub-header 'Personal Income is Up' and a text box stating: 'That means more Virginians are able to enjoy a higher standard of living.' Below this, there is a section titled 'Scorecard at a Glance' with a sub-header 'State Agency Performance Measures & Management Scorecard'. A callout bubble points to this section with the text: 'View state agencies' objectives and measures for their programs and services.' At the bottom, there is a navigation bar with links for 'Home', 'About Virginia Performs', 'Economy', 'Education', 'Health & Family', 'Public Safety', 'Natural Resources', 'Transportation', and 'Government & Citizens'. A callout bubble points to this navigation bar with the text: 'Explore how Virginia is doing in crucial areas that affect the quality of life.'

Download a detailed demographic profile of the state.

Create local & regional maps and reports showing data on dozens of measures.

Virginia.gov Online Services | Help | Governor | General Assembly

Search GO

Virginia Performs VISION FOCUS RESULTS

Key Facts & Demographic Data
Mapping: [Intro](#) • [Map It](#) • [Scorecard at a Glance](#)

A message from Virginia Governor Tim Kaine

The Commonwealth of Virginia is a spectacular place to live. We treasure the heritage and resources that contribute to our high quality of life, but it takes constant planning and fine tuning to maintain this quality and make needed improvements. This website, brought to you by the Council on Virginia's Future, shows you how we measure the state's current performance, plan for the future and monitor our progress. Click on the links below to see how we're working to make Virginia strong and healthy. Thanks for visiting. Governor Tim Kaine

Instantly see how Virginia measures up in key areas.

Personal Income is Up
That means more Virginians are able to enjoy a higher standard of living.

Measuring Virginia

This website shows you how Virginia is doing in areas that affect quality of life for you and your family. Learn more about how the Commonwealth is doing from region to region and compared to other states by exploring the areas below. For more about your community, visit our [mapping page](#). To learn how your state government is working on your behalf, view [state agency performance measures](#).

Home | About Virginia Performs

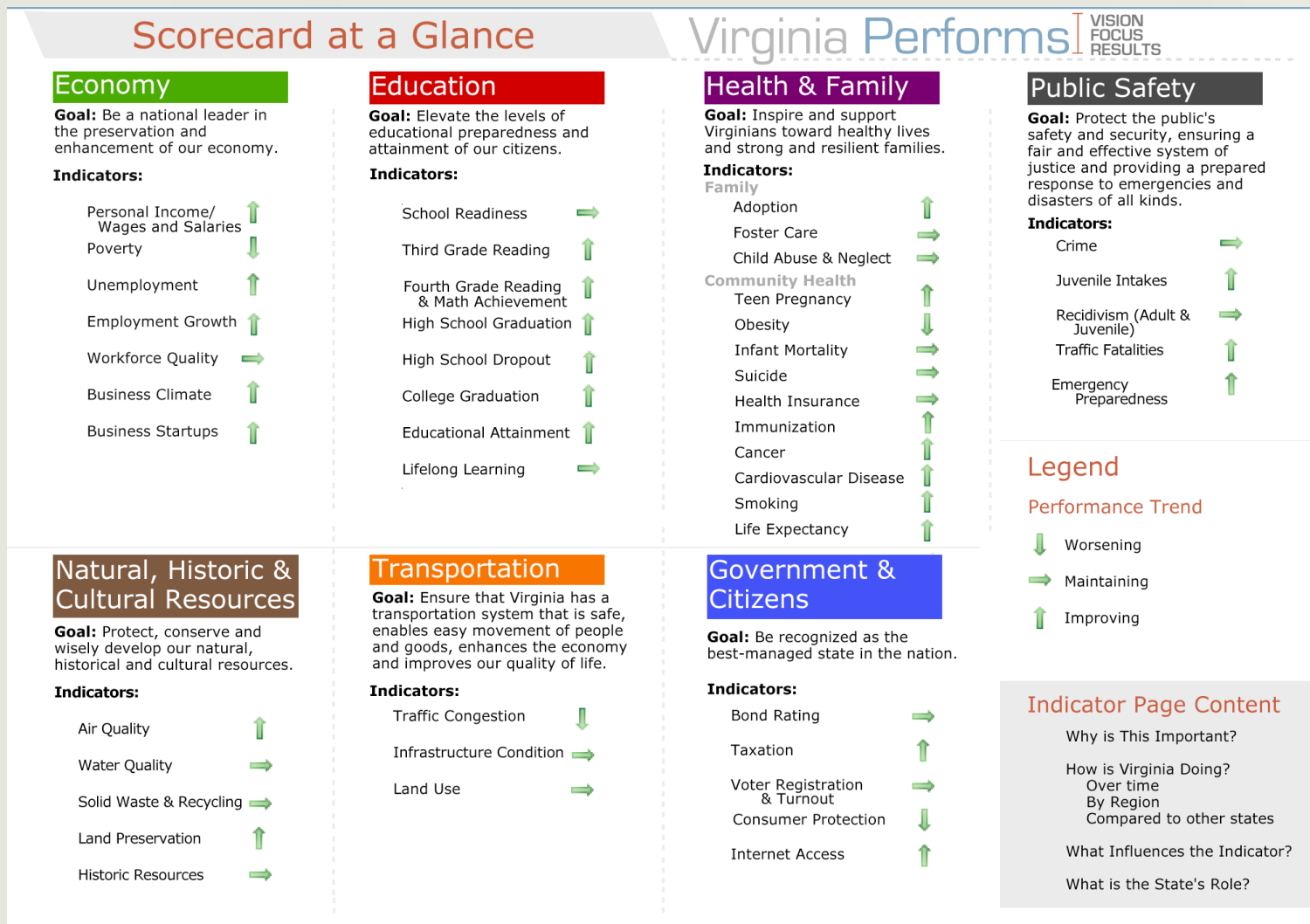
Economy Education Health & Family Public Safety Natural Resources Transportation Government & Citizens

Scorecard at a Glance
State Agency Performance Measures & Management Scorecard

View state agencies' objectives and measures for their programs and services.

Explore how Virginia is doing in crucial areas that affect the quality of life.

Scorecard at a Glance



Are We Making Progress?

	Improving	Maintaining	Losing Ground
Economy			
	Personal Income Unemployment Business Climate Business Startups Employment Growth	Workforce Quality	Poverty
Education			
	3 rd Grade Reading 4 th Grade Reading/Math High School Graduation College Graduation Educational Attainment	School Readiness Lifelong Learning	
Health and Family			
	Adoption Teen Pregnancy Immunization Cancer Cardiovascular Disease Smoking Life Expectancy	Foster Care Child Abuse Infant Mortality Suicide Health Insurance	Obesity
Public Safety			
	Juvenile Intakes Traffic Fatalities Emergency Preparedness	Crime Recidivism	
Natural Resources			
	Air Quality Land Preservation	Water Quality Solid Waste & Recycling Historic Resources	
Transportation			
		Land Use Infrastructure Condition	Traffic Congestion
Government and Citizen			
	Taxation Internet Access	Bond Rating Voting	Consumer Protection

How Are Our Regions Doing?

Indicator	Regions							
Economy	Central	Eastern	Hampton Roads	Northern	Southside	Southwest	Valley	West Central
Personal Income	●	●	●	●	●	●	●	●
Poverty	●	●	●	●	●	●	●	●
Unemployment	●	●	●	●	●	●	●	●
Employment Growth	●	●	●	●	●	●	●	●
Business Startups	●	●	●	●	●	●	●	●
Education	Central	Eastern	Hampton Roads	Northern	Southside	Southwest	Valley	West Central
3rd Grade Reading	●	●	●	●	●	●	●	●
High School Graduation	●	●	●	●	●	●	●	●
High School Dropout	●	●	●	●	●	●	●	●
Associate Degree	●	●	●	●	●	●	●	●
Bachelor's Degree	●	●	●	●	●	●	●	●
Health and Family	Central	Eastern	Hampton Roads	Northern	Southside	Southwest	Valley	West Central
Foster Care	●	●	●	●	●	●	●	●
Infant Mortality	●	●	●	●	●	●	●	●
Suicide	●	●	●	●	●	●	●	●
Teen Pregnancy	●	●	●	●	●	●	●	●
Cardiovascular Deaths	●	●	●	●	●	●	●	●
Public Safety	Central	Eastern	Hampton Roads	Northern	Southside	Southwest	Valley	West Central
Property Crime	●	●	●	●	●	●	●	●
Violent Crime	●	●	●	●	●	●	●	●
Traffic Fatalities	●	●	●	●	●	●	●	●

Trend Key:



Improving



Maintaining



Worsening

How Does Virginia Compare to Other States?

Indicator Rank vs. Other States	1-10	11-20	21-30	31-40	41-50
ECONOMY					
Personal Income	✓				
Poverty	✓				
Unemployment	✓				
Employment Growth	✓				
Workforce Quality	✓				
Business Climate	✓				
Business Startups		✓			
EDUCATION					
Fourth Grade Reading	✓				
Fourth Grade Math			✓		
High School Graduation		✓			
High School Dropout	✓				
College Graduation—Bachelor's	✓				
HEALTH & FAMILY					
Teen Births			✓		
Obesity			✓		
Infant Mortality				✓	
Suicide		✓			
Health Insurance		✓			
Immunization	✓				
Cancer Deaths				✓	
Smoking			✓		
PUBLIC SAFETY					
Crime—Violent and Property		✓			
Traffic Fatalities	✓				
NATURAL RESOURCES					
Historic Districts	✓				
TRANSPORTATION					
Traffic Congestion—Commute Time					✓
Infrastructure—Deficient Bridges			✓		
GOVERNMENT & CITIZENS					
Bond Rating	✓				
Taxation	✓				
Voter Turnout				✓	
Internet Access—Digital Government	✓				

Finding the Strategic Imperatives

- Performance data also help illuminate larger issues that transcend categories of measurement (e.g., crime, educational attainment, substance abuse, life expectancy).
- Complexity of the challenge requires input and involvement from key leaders in entire community in order to have any meaningful or lasting effect.
- Complexity also often requires bold new investments of commitment, thought, time and money.

Education Attrition Rates in Virginia



Out of 100 High School Freshman . . .



. . . will graduate from high school on time



. . . will enroll in post-secondary education



. . . will get a 2- or 4-year degree within 150% of normal completion time

Gubernatorial Commitment to Outcomes and Transparency

Wayne Turnage
Chief of Staff to Governor Kaine

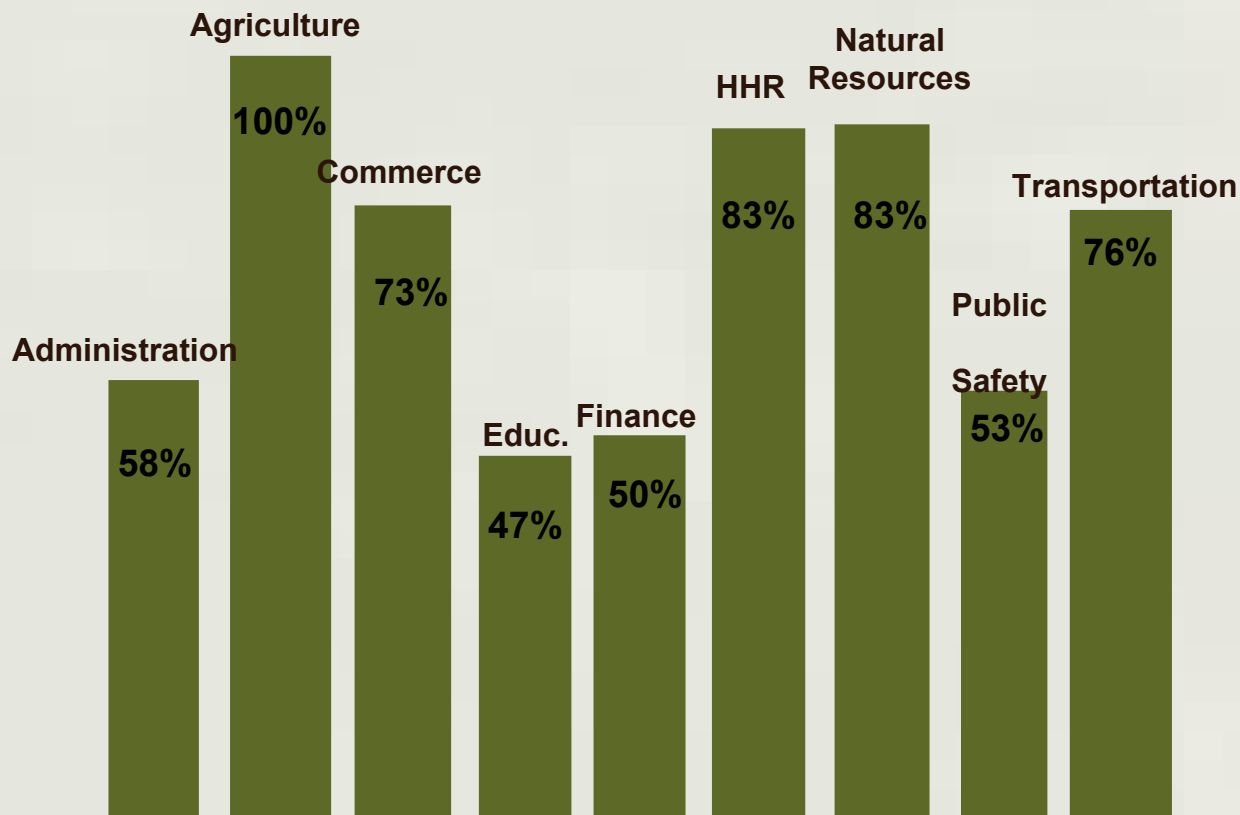
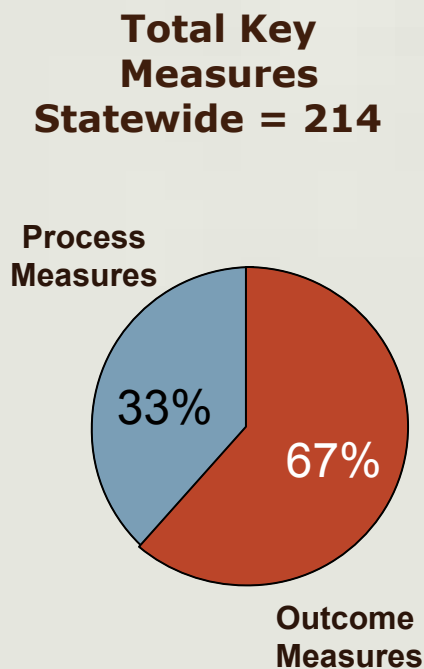
Gov. Kaine's Steps to Ensure Success

- Created an internal performance management team in the Governor's office with strong involvement by the Chief of Staff.
- Solicited an external review of the existing system by known experts in the field.
- Emphasized to agency heads that performance management is his number one priority:
 - Met with every agency head to discuss importance of an outcome-based system;
 - Personally reviewed and commented upon every agency key metric;
 - Held meetings with Cabinet one year later to review performance;
 - Is tying budget decisions to performance in current two-year budget.

The Virginia Performs System

System Component	Purpose
Agency Strategic Plan	Provides description of where agency is going and how it plans to get there – major mission, goals, strategies, <i>performance metrics, baselines, and targets</i>
Key Outcome-Based Performance Metrics	Performance indicators that provide a basis for measuring the impact of services provided
Performance Baseline	Provides starting point for measuring performance against key metrics
Performance Target	Sets expectations for performance against key measures
Management Scorecard	Administrative criteria defining effective management of agencies

How Many Agency Measures are Outcome Oriented?



Note: There are five key measures in Technology and all are outcome based.

Directions for 2008

- Develop new productivity measures for state agencies.
- Further streamline Virginia Performs by synthesizing elements and reporting timelines.

Opportunities for Improvement and Innovation

Aneesh Chopra
Secretary of Technology

A Model to Spur Innovation and Productivity in State Government

ESG Mission

Partner with state agencies to:

- identify, catalyze and implement innovative solutions
- enable a simpler and more effective government for the benefit of the citizens of the Commonwealth

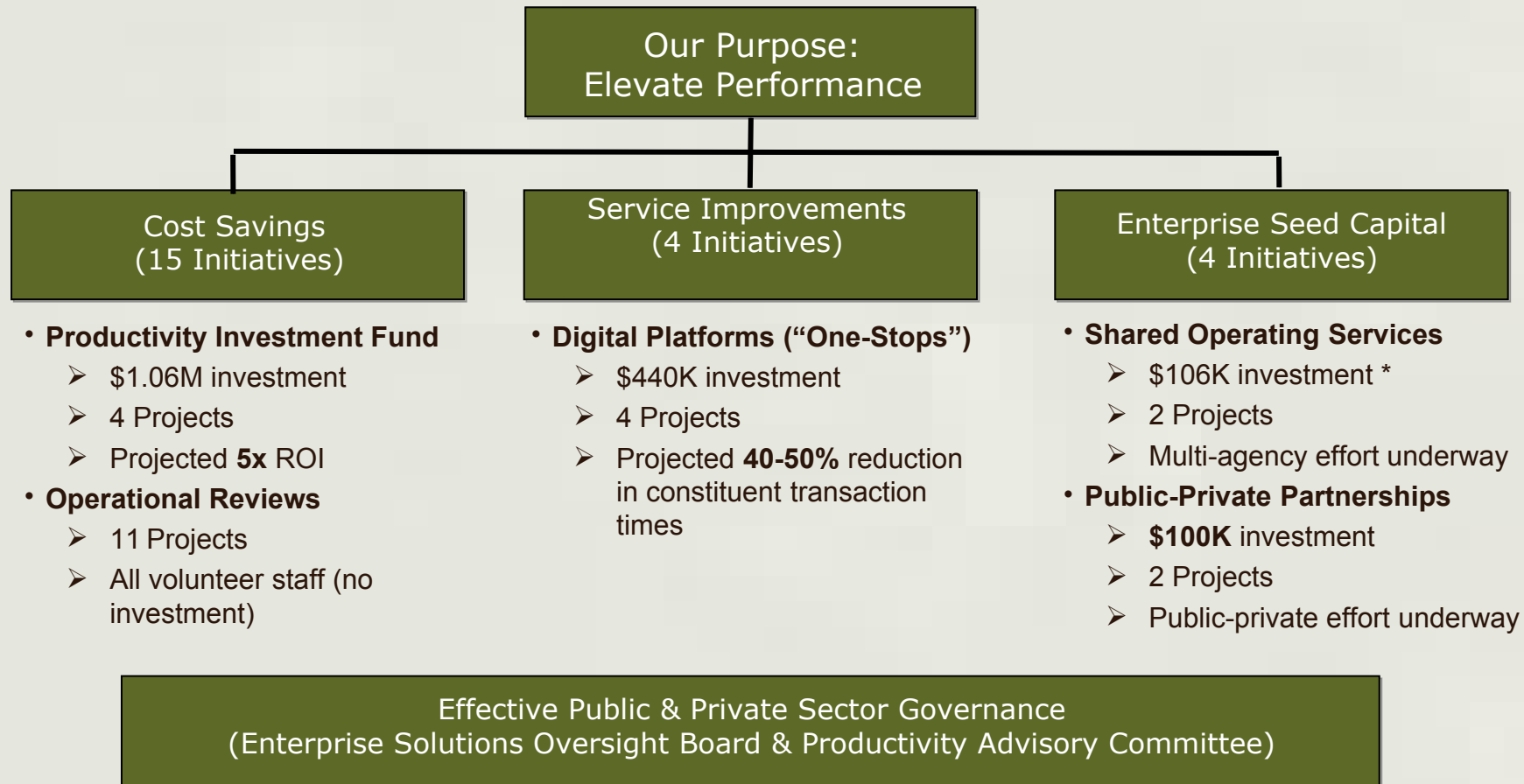
Approach

- Lean direct staffing; leverage agency and/or external resources where appropriate
- Manage deployment of the Productivity Investment Fund (PIF), which is \$3MM in “seed capital” created to catalyze innovative projects that support one or more key outcomes

Key Outcomes

- Improve the constituent experience (e.g., better results, shorter transaction time, reduced constituent expenses)
- Increase government operating efficiency
- Advance Governor’s key agency performance objectives

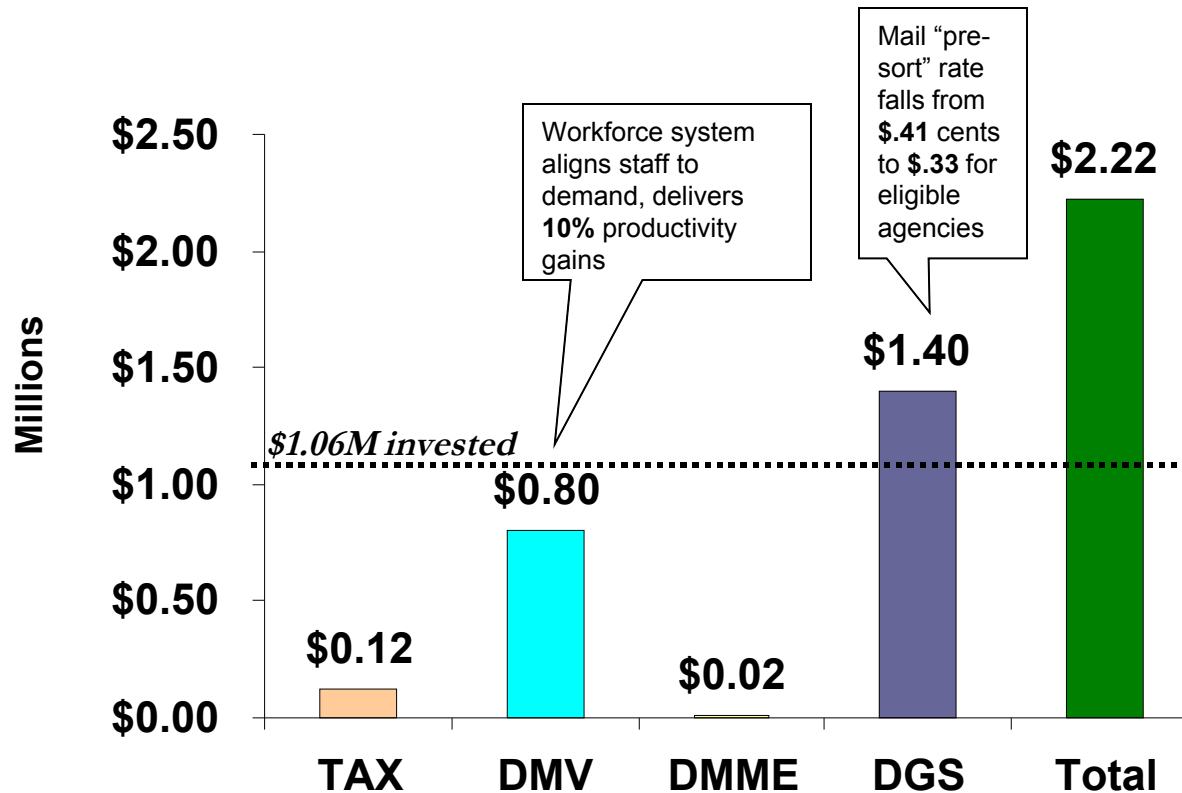
Comprehensive Summary of Effectiveness and Efficiency Agenda



**Does not include \$11M dedicated towards VEAP Project Planning*

Cost Savings Portfolio: Expected to Return 5x ROI within 3 Years

Annualized Savings Potential – Base Case



Using the base case, the 3-year return per dollar invested is approximately \$5

Productivity Investment Fund in Brief

Capital: Governor Kaine established **\$3M** fund in **January** to simplify government operations; encouraged all agencies to apply by **March, 2007**

Goals: In addition to **operating cost savings**, PIF encourages agencies to **lower constituent transaction time** and advance the Governor's **key performance measures**

Portfolio: In **May**, we invested **\$1.3M** of which **\$1.06M** funded the following savings initiatives:

- **DGS:** Mail Consolidation
- **DMV:** Workforce Mgmt System
- **Dept of Tax:** Image Cash Letter
- **DMME:** Field GIS

Early Diagnostic Effort Shows Promise

Initial Focus Areas

- Energy
- Fleet
- Travel
- Mail
- Print/Copy/Paper
- Return to Work
- Communications (Voice/Data)
- Water
- Solid Waste
- Receivables
- Staff Augmentation (Temp Labor)

Selection Criteria

- Fundamental to all agencies
- Good ideas can be shared and leveraged across the enterprise for greater efficiency and effectiveness
- Reviewing and coordinating at the enterprise level will facilitate greater bargaining power

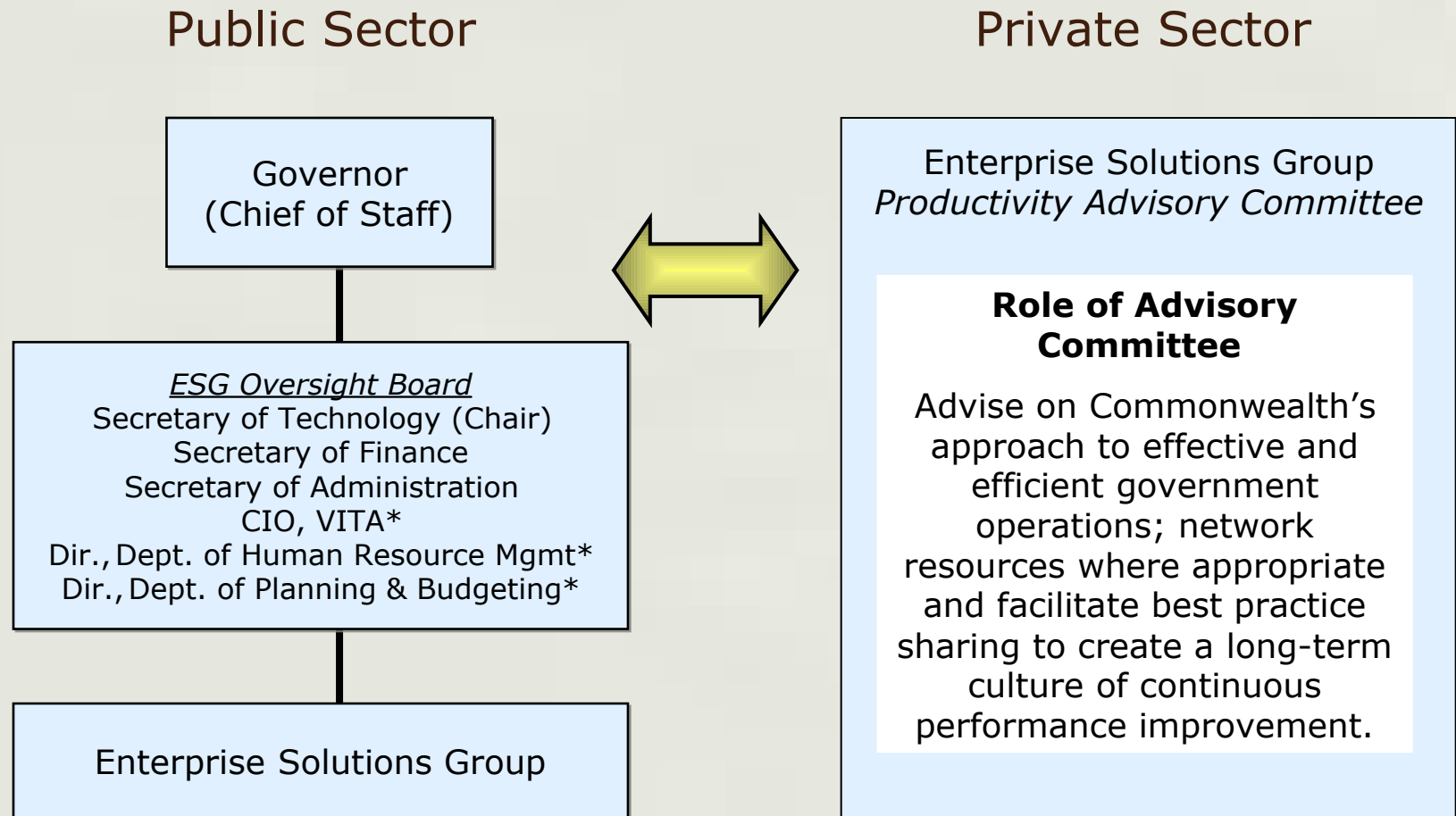
Timeline

- Research teams work for 3 – 5 months to deliver a final report that defines for topics in detail:
 - Overall cost drivers
 - Usage level of best practices
 - Opportunity to leverage enterprise scale in the market
 - Recommendations to improve Commonwealth performance and cost-effectiveness
- Reports will be reviewed by oversight group which will then make recommendations to the Governor

Leveraging Digital Platforms to Improve Service

Pilot Project	Description
<i>Business One Stop</i>	New website designed to streamline myriad forms required to start a new business in Virginia and avoid data entry duplication; of 37 most common forms, 445 data fields include 324 duplicates
<i>Turbo-Vet</i>	New website designed to streamline federal veteran's benefits application; current veteran wait times of 240 days for final answer expected to fall to 100 days through more accurate submissions
<i>Mining Permit e-Forms</i>	New web-based mining permit process to dramatically lower time to complete; current 90 day time period to fall to 14 days , and allow for multi-year renewals, further lowering industry regulation costs
<i>Streamlined Medicaid Application</i>	New web-based Medicaid application for aged, blind and disabled to dramatically lower time to determine eligibility; current 90 day period to fall to 45 days , and allow volunteers to ensure application accuracy before submission
<i>\$440K investment should lower constituent transaction time 40-50%, saving citizens time and money</i>	

Simplifying Operations by Linking Public and Private Sector Experts



A Structured Approach to Sustainable, Continuous Change

Simplify Government

1 Ideas	2 Skills	3 Leadership
<ul style="list-style-type: none"> • Uncover internally-led creative solutions • Surface emerging ideas through private sector partners <p><u>Case Study #1: Google</u> Build a "Virtual Lab" to surface ideas from within agencies, the private sector, or political leaders</p>	<ul style="list-style-type: none"> • Identify top performers across the enterprise • Invest in training programs to support implementation <p><u>Case Study #2: Southwest</u> Pursue continuous improvement through discipline and a focus on staff productivity</p>	<ul style="list-style-type: none"> • Build the organizational will for change • Establish a common language and methodology for consistent performance <p><u>Case Study #3: GE</u> Engage all leaders in the cycle of performance improvement; empower managers to participate, drive results</p>

Innovative Ideas: Four Strategic Levers

Lever	Description
<i>Personalized Government</i>	Agencies build processes from the perspective of key customer segments ; goal to streamline transaction time , especially across related agencies
<i>Shared Operating Services</i>	Agencies consolidate a set of “ non-core ” activities which are common across the enterprise; goal to free resources to focus on core mission
<i>Digital Government</i>	Agencies drive more online transaction volume , digitize additional transaction processes, and design online experiences based on the needs of specific customer segments; goal to leverage low-cost service channel
<i>Business Intelligence</i>	Agencies leverage multiple data sets to allocate (limited) resources where needed; goal to advance key objectives through elevated staff productivity

Virginia Professor Removes Arsenic for 99% Less Than Market Rate

An Inspired Dream

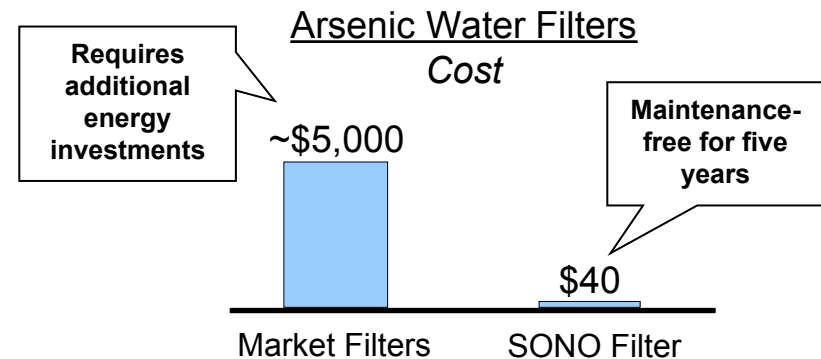


Public Sector Innovation

Goal: Develop low-cost method to remove arsenic from water; 10+ million people suffer without treatment

Solution: A simple, maintenance-free system that uses sand, charcoal, bits of brick and shards of a type of cast iron; each filter has 20 pounds of porous iron, which forms a chemical bond with arsenic

Results: GMU Professor Abul Hussam wins **\$1M** Grainger Prize for \$40 solution; donates **70%** to buy filters for Third World



Next Steps

- Council reauthorization.
- Acceleration of progress on priority issues, starting with educational attainment:
 - In-depth analysis of factors driving educational attainment;
 - Assessment of progress in other states and countries;
 - Development of long-term targets.
- Full implementation of productivity initiative, including emphasis on enterprise-level change management and innovation.
- Continued refinement to agency-level performance measurement, including the addition of productivity measurements.
- Regional models for *Virginia Performs*, starting with the Hampton Roads Partnership.
- Completion of business climate survey:
 - First phase has identified workforce, K-12 and higher education as highest priorities of business.
- Enhanced citizen and business engagement through forums at regional and state levels.

Sites of Interest

Virginia Performs:

www.VaPerforms.virginia.gov

Council on Virginia's Future:

www.future.virginia.gov

Enterprise Solutions Group:

www.innovations.vi.virginia.gov

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